

# **CRYSTAL EXPLORATION INC.**

Condensed Interim Financial Statements

For the three and nine months ended November 30, 2016 and 2015

To the shareholders of Crystal Exploration Inc:

The condensed interim financial statements of Crystal Exploration Inc. (the “Company”) for the three and nine months ended November 30, 2016 and 2015 have been compiled by management.

No audit or review of this information has been performed by the Company’s auditors.

## CRYSTAL EXPLORATION INC.

## Condensed Interim Statements of Financial Position

As at

(unaudited)

	Notes	November 30, 2016	February 29, 2016
<b>Assets</b>			
<b>Current</b>			
Cash		\$ 216,526	\$ 45,006
Amounts receivable	3	52,757	13,297
Prepaid expenses and deposits		11,375	4,282
		280,658	62,585
Exploration and evaluation assets	4	717,534	364,729
<b>Total Assets</b>		<b>\$ 998,192</b>	<b>\$ 427,314</b>
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		\$ 58,633	\$ 65,590
Deferred flow-through liability	8	1,407	4,495
<b>Total Liabilities</b>		<b>60,040</b>	<b>70,085</b>
<b>Equity</b>			
Share capital	5	2,289,366	1,435,160
Share subscriptions received	5	39,000	-
Option and warrant reserve		359,844	343,871
Deficit		(1,750,058)	(1,421,802)
<b>Total Equity</b>		<b>938,152</b>	<b>357,229</b>
<b>Total Liabilities and Equity</b>		<b>\$ 998,192</b>	<b>\$ 427,314</b>

NATURE OF OPERATIONS AND GOING CONCERN (note 1)

SUBSEQUENT EVENT (note 10)

Authorized for issuance on behalf of the Board on January 27, 2017

Director (signed by) "Jim Greig"Director (signed by) "Sean Mager"

The accompanying notes form an integral part of these condensed interim financial statements.

## CRYSTAL EXPLORATION INC.

## Condensed Interim Statements of Comprehensive Loss

For the three and nine months ended November 30, 2016 and 2015

*(unaudited)*

	Three months ended November 30, 2016	Three months ended November 30, 2015	Nine months ended November 30, 2016	Nine months ended November 30, 2015
<b>Expenses</b>				
Investor relations expenses	\$ 113,566	\$ 19,057	\$ 143,821	\$ 26,876
Management and consulting fees	96,535	3,000	106,637	7,715
Regulatory and filing fees	22,936	4,256	28,417	12,885
Office and administration	18,189	9,444	22,910	19,686
Professional fees	9,428	10,235	50,057	24,440
Loss before other items	(260,654)	(45,992)	(351,842)	(91,602)
<b>Other items:</b>				
Settlement of flow-through liability (note 8)	21,684	-	23,586	-
<b>Net loss and comprehensive loss for the period</b>	<b>(238,970)</b>	<b>(45,992)</b>	<b>(328,256)</b>	<b>(91,602)</b>
<b>Loss per share – basic and diluted</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding</b>	<b>28,005,472</b>	<b>17,161,126</b>	<b>23,150,053</b>	<b>15,748,229</b>

The accompanying notes form an integral part of these condensed interim financial statements.

## CRYSTAL EXPLORATION INC.

## Condensed Interim Statements of Changes in Equity

For the nine months ended November 30, 2016 and 2015

(unaudited)

	Number of shares (#)	Share capital (\$)	Share subscriptions received (\$)	Option and warrant reserve (\$)	Deficit (\$)	Total equity (\$)
<b>Balance at February 28, 2015</b>	<b>14,462,500</b>	<b>932,106</b>	-	<b>236,311</b>	<b>(1,182,590)</b>	<b>(14,173)</b>
Shares issued for cash	2,841,666	286,700	-	-	-	286,700
Share issuance costs	-	(14,755)	-	-	-	(14,755)
Finders warrants issued	-	(954)	-	954	-	-
Comprehensive loss	-	-	-	-	(91,602)	(91,602)
<b>Balance at November 30, 2015</b>	<b>17,304,166</b>	<b>1,203,097</b>	-	<b>237,265</b>	<b>(1,274,192)</b>	<b>166,170</b>
Shares issued for cash	2,081,667	249,800	-	-	-	249,800
Flow-through premium liability	-	(41,633)	-	-	-	(41,633)
Shares issued for exploration and evaluation assets (note 4)	500,000	50,000	-	-	-	50,000
Shared-based payments	-	-	-	106,606	-	106,606
Share issuance costs	-	(26,104)	-	-	-	(26,104)
Comprehensive loss	-	-	-	-	(147,610)	(147,610)
<b>Balance at February 29, 2016</b>	<b>19,885,833</b>	<b>1,435,160</b>	-	<b>343,871</b>	<b>(1,421,802)</b>	<b>357,229</b>
Shares issued for cash (note 5)	7,619,639	863,410	-	-	-	863,410
Share subscriptions received	-	-	39,000	-	-	39,000
Flow-through premium liability	-	(20,453)	-	-	-	(20,453)
Shares issued for exploration and evaluation assets (note 4)	500,000	50,000	-	-	-	50,000
Share issuance costs	-	(22,778)	-	-	-	(22,778)
Finders warrants issued	-	(15,973)	-	15,973	-	-
Comprehensive loss	-	-	-	-	(328,256)	(328,256)
<b>Balance at November 30, 2016</b>	<b>28,005,472</b>	<b>2,289,366</b>	<b>39,000</b>	<b>359,844</b>	<b>(1,750,058)</b>	<b>938,152</b>

The accompanying notes form an integral part of these condensed interim financial statements.

## CRYSTAL EXPLORATION INC.

## Condensed Interim Statements of Cash Flows

For the nine months ended November 30, 2016 and 2015

*(unaudited)*

	Nine months ended November 30, 2016	Nine months ended November 30, 2015
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net loss for the period	\$ (328,256)	\$ (91,602)
Items not affecting cash:		
Flow-through share premium (note 8)	(23,541)	-
Changes in non-cash working capital items:		
Amounts receivable	(39,460)	(7,172)
Prepaid expenses	(7,093)	-
Accounts payable and accrued liabilities	(6,957)	(35,515)
<b>Cash used in operating activities</b>	<b>(405,307)</b>	<b>(134,289)</b>
<b>Investing activity</b>		
Exploration and evaluation expenditures	(302,805)	(138,723)
<b>Cash used in investing activity</b>	<b>(302,805)</b>	<b>(138,723)</b>
<b>Financing activities</b>		
Proceeds from private placement	863,410	286,700
Share subscription received	39,000	-
Share issuance costs	(22,778)	(14,755)
<b>Cash flows from financing activities</b>	<b>879,632</b>	<b>271,945</b>
Net increase (decrease) in cash for the period	171,520	(1,067)
Cash, beginning of period	45,006	21,555
<b>Cash, end of period</b>	<b>\$ 216,526</b>	<b>\$ 20,488</b>
<b>Non-cash transactions and supplemental disclosures</b>		
Non-cash share issuance costs	\$ 15,973	\$ 954

*The accompanying notes form an integral part of these condensed interim financial statements.*

**1. Nature of operations and going concern**

Crystal Exploration Inc. (formerly Trigold Resources Inc.) ("Crystal" or the "Company") was incorporated under the British Columbia Business Corporations Act on November 9, 2010 and has its shares listed for trading on the TSX Venture Exchange under the symbol "CEI". The Company's head office is located at suite 800-1199 West Hastings Street, Vancouver V6E 3T5, Canada. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. Crystal is an exploration stage company and is in the process of identifying and acquiring mineral properties.

These condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable amount of time. At November 30, 2016, the Company had working capital of \$220,618 (February 29, 2016 - working capital deficit of \$7,500) and an accumulated deficit of \$1,750,058 (February 29, 2016 - \$1,421,802). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future, which indicate the existence of a material uncertainty that may cast significant doubts about the Company's ability to continue as a going concern. These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

There is, however, no assurance that the additional financing or continued support from shareholders and creditors will be available to the Company, or that they will be available on a timely basis or on terms that are acceptable to the Company.

**2. Basis of presentation**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended February 29, 2016, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on January 27, 2017.

These condensed interim financial statements are presented in Canadian Dollars, and the use of the symbol "\$" herein is in reference to Canadian Dollars. Disclosures for amounts denominated in currencies other than Canadian Dollars use the International Standards Organization ("ISO") 3-letter symbol for such foreign currency.

The accounting policies applied in preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended February 29, 2016, unless otherwise stated.

## CRYSTAL EXPLORATION INC.

## Notes to the Condensed Interim Financial Statements

For the three and nine months ended November 30, 2016 and 2015

(unaudited)

**3. Amounts receivable**

Amounts receivable is comprised of the following:

	November 30, 2016	February 29, 2016
GST receivable	\$ 24,007	\$ 13,297
Subscriptions receivable	28,750	-
	<b>\$ 52,757</b>	<b>\$ 13,297</b>

**4. Exploration and evaluation assets**Diamond Permits in Nunavut, Canada

Total costs incurred on the Diamond Permits are summarized as follows:

	Acquisition	Exploration	Total
Balance, February 28, 2015	\$ -	\$ -	\$ -
Acquisition costs	150,881	-	150,881
Geology	-	18,795	18,795
Assay	-	193,053	193,053
Other	-	2,000	2,000
Balance, February 29, 2016	150,881	213,848	364,729
Acquisition costs	100,000	-	100,000
Fieldwork	-	97,305	97,305
Geology	-	124,423	124,423
Assay	-	31,077	31,077
<b>Balance, November 30, 2016</b>	<b>\$ 250,881</b>	<b>\$ 466,653</b>	<b>\$ 717,534</b>

During the year ended February 29, 2016, the Company signed a property purchase agreement ("Agreement") to acquire a 100% interest in eight Prospecting Permits (the 'Property') totaling 1,150 km<sup>2</sup> located in Nunavut, Canada from private owners (the "Vendor"). As consideration, the Company paid a total of \$75,000 in cash and issued 500,000 common shares of the Company at \$0.10 per share during the year ended February 29, 2016. The Company further agreed to pay the following to the Vendor:

- Issue a further 500,000 common shares of the Company on or before May 15, 2016 (issued on August 3, 2016).

The Company capitalized certain acquisition costs of \$25,881 in relation to the Agreement. The Company has also agreed to pay the Vendor a 1% royalty interest on the Property. The Company also has the sole and exclusive option to purchase the NSR royalty interest at a purchase price of \$3,000,000 at any time.



**4. Exploration and evaluation assets (continued)**Diamond Permits in Nunavut, Canada (continued)

The Company has also agreed to make the following additional performance payments to the Vendor, upon the completion of the following milestones:

- annual payments of \$50,000 on each anniversary date, August 5<sup>th</sup>, for the first four years, payable by the Company in either cash or common shares of the Company ("Performance Shares"), or any combination thereof, in its sole discretion (paid);
- payment of \$50,000 for each new discovery of a kimberlite pipe or dyke on the Property, payable by the Company in either cash or Performance Shares, or any combination thereof, in its sole discretion;
- issue 500,000 Performance Shares on completion of an inferred mineral resource estimate by a qualified independent geologist or mining engineer of not less than 5,000,000 tonnes on each kimberlite pipe or dyke; and
- issue 500,000 Performance Shares upon completion of a feasibility study.

**5. Share capital**

## a) Common shares

The Company's articles authorize an unlimited number of Class "A" common shares without par value. A summary of changes in common share capital in the period is as follows:

	Number of shares	Weighted average issue price	Amount
Balance, February 29, 2016	19,885,833		\$ 1,435,160
Shares issued for cash	7,619,639	\$ 0.11	863,410
Flow-through premium liability	-	-	(20,453)
Shares issued for exploration property (note 4)	500,000	\$ 0.10	50,000
Share issuance costs	-	-	(22,778)
Finders warrants issued	-	-	(15,973)
<b>Balance, November 30, 2016</b>	<b>28,005,472</b>		<b>\$ 2,289,336</b>

On August 12, 2016, the Company closed a non-brokered private placement of 6,609,639 non-flow-through units ("NFT Units") at a price of \$0.11 per NFT Unit for gross proceeds of \$727,060 and 1,010,000 flow-through units ("FT Units"). Each NFT Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.15 for a period of twelve months from the date of issuance of the warrant. Each FT Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.15 for a period of twelve months from the date of issuance of the warrant.

During the nine months ended November 30, 2016, the Company received \$39,000 in share subscriptions toward a private placement which has not closed at November 30, 2016.

**5. Share capital (continued)**

## b) Warrants

A summary of share purchase warrant activity in the periods is as follows:

	Number of warrants	Weighted average exercise price
Balance, February 28, 2015	-	\$ -
Issued	1,389,300	0.15
Balance, November 30, 2015	1,389,300	0.15
Issued	8,000	0.15
Balance, February 29, 2016	1,397,300	0.15
Expired	(1,397,300)	0.15
Issued	4,009,485	0.15
<b>Balance, November 30, 2016</b>	<b>4,009,485</b>	<b>\$ 0.15</b>

As part of the August 12, 2016 NFT Unit and FT unit private placement, the Company issued 3,809,819 warrants. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.15 until August 12, 2017. In connection with this private placement the Company issued an aggregate of 199,666 finders' warrants. The finders' warrants entitle the finders to purchase one common share of the Company at a price of \$0.15 until August 12, 2017. The fair value of finders' fees granted was \$15,973 and was recorded as offset against share capital during the nine months ended November 30, 2016.

A summary of the warrants outstanding and exercisable is as follows:

November 30, 2016				February 29, 2016			
Exercise price	Number of warrants	Weighted average remaining life (years)		Exercise price	Number of warrants	Weighted average remaining life (years)	
\$ 0.15	3,809,819	0.70		\$ 0.15	1,082,500	0.40	
0.15	199,666	0.70		0.15	31,800	0.40	
-	-	-		0.15	275,000	0.60	
-	-	-		0.15	8,000	0.60	
<b>\$ 0.15</b>	<b>4,009,485</b>	<b>0.70</b>		<b>\$ 0.15</b>	<b>1,397,300</b>	<b>0.40</b>	

## c) Stock options

Pursuant to the Company's stock option plan (the "Plan") for directors, officers, employees, and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options. The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, consultant or employee of the Company for reasons other than death, one year after the death of an optionee or on the fifth anniversary of the date the option was granted. All options vest when granted unless otherwise specified by the Board of Directors.

**5. Share capital (continued)**

## c) Stock options (continued)

A summary of stock option activity in the periods is as follows:

	Number of options	Weighted average exercise price
Balance, February 28 and November 30, 2015	-	\$ -
Issued	1,900,000	0.11
<b>Balance, February 29 and November 30, 2016</b>	<b>1,900,000</b>	<b>\$ 0.11</b>

On January 15, 2016, the Company's Board of Directors granted stock options to acquire up to an aggregate 1,900,000 common shares of the Company under the Plan, vesting 2/3 on grant and 1/3 on January 15, 2017. The stock options were exercisable at a price of \$0.11 per common share and had an expiry date of on January 15, 2021 or earlier in accordance with the terms of the Plan.

The estimated fair value of these options of \$106,606, or \$0.056 per option, has been recorded as share-based payments expense in the 2016 fiscal year and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$0.09; expected life, 5 years; expected volatility, 143%; risk-free rate 0.48%; expected dividends, 0%. The options were issued with an exercise price higher than the quoted market price of the Company's common shares on the date of issuance.

A summary of the options outstanding and exercisable is as follows:

November 30, 2016			February 29, 2016		
Exercise price	Number of options	Weighted average remaining life (years)	Exercise price	Number of options	Weighted average remaining life (years)
\$ 0.11	1,900,000	4.12	\$ 0.11	1,900,000	4.88
<b>\$ 0.11</b>	<b>1,900,000</b>	<b>4.12</b>	<b>\$ 0.11</b>	<b>1,900,000</b>	<b>4.88</b>

**6. Financial instruments and risk management**

The Company is exposed to the following financial risks:

- i) Market risk
- ii) Credit risk
- iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

**6. Financial instruments and risk management (continued)**General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, commodity price risk.

*Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's share capital as well as the Company's reporting currency is denominated in Canadian dollars. Management has assessed that the Company's current exposure to currency risk is low, but acknowledges this may change in the future.

*Interest rate risk*

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be minimal.

*Commodity price risk*

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash.

The Company has assessed its exposure to credit risk on its cash and has determined that such risk is minimal. The majority of the Company's cash are held with financial institutions in Canada.

**6. Financial instruments and risk management (continued)**Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board. As at November 30, 2016, all of the Company's accounts payable and accrued liabilities of \$58,633 are due within one year.

Determination of fair value

The statement of financial position carrying amounts for cash and accounts payable approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Financial assets and liabilities measured at fair value are grouped into three Levels or a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: unobservable inputs for the asset or liability.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

As at November 30, 2016:

Asset:	Level 1	Level 2	Level 3	Total
Cash	\$ 216,526	-	-	\$ 216,526

As at February 29, 2016:

Asset:	Level 1	Level 2	Level 3	Total
Cash	\$ 45,006	-	-	\$ 45,006

**7. Related party transactions**

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the nine months ended November 30,	2016	2015
Management fees paid to companies controlled by directors and officers	\$ 93,000	\$ 3,000
Professional fees paid to a company controlled by an officer	19,448	-
Geological consultation fees capitalized - company controlled by an officer	34,200	-
	<b>\$ 146,648</b>	<b>\$ 3,000</b>

Key management compensation

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer. The remuneration of key management personnel is summarized below:

For the nine months ended November 30,	2016	2015
Short term benefits	\$ 93,000	\$ 3,000
	<b>\$ 93,000</b>	<b>\$ 3,000</b>

At November 30, 2016, accounts payable and accrued liabilities include \$13,719 (February 29, 2016 - \$26,138) due to key management, directors of the Company and companies controlled by management or directors. Amounts due to related party are unsecured, non-interest bearing and have no specific terms of repayment.

**8. Flow-through premium liability**

During the year ended February 29, 2016, the Company issued 2,208,833 flow-through units for gross proceeds of \$265,000 and recognized a deferred flow-through premium of \$41,633, non-cash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units. During fiscal 2016 the Company recognized \$37,137 as reduction of the deferred flow-through premium liability based on the amount of eligible expenditures spent as at February 29, 2016, and recognized a further reduction of \$4,496 as at November 30, 2016. As at November 30, 2016, the flow-through premium liability outstanding relating to these flow-through shares was \$Nil.

During the nine months ended November 30, 2016, the Company issued 1,010,000 flow-through units for gross proceeds of \$136,500 and recognized a deferred flow-through premium of \$20,453, non-cash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units. As at November 30, 2016, the flow-through premium liability outstanding relating to these flow-through shares was \$1,407. The Company is still required to spend \$8,254 in eligible exploration expenditures as at November 30, 2016 relating to these flow-through shares.

**9. Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and development of various businesses. The Company does not have any externally imposed capital requirements to which it is subject.

As at November 30, 2016, the Company considers the aggregate of its share capital, reserves and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash on hand.

**10. Subsequent events**

On December 21, 2016, the Company closed the financing previously announced on December 2, 2016, for gross proceeds totalling \$314,270. The Company issued 670,000 non-flow-through common share units ("NFT Units") at a price of 11 cents per unit for gross proceeds of \$73,700 and 1,782,000 flow-through units ("FT Units") at a price of 13.5 cents per share for gross proceeds of \$240,570. Each NFT and FT Units consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at an exercise price of 15 cents per share for 12 months from the date of issue, expiring on December 19, 2017. All securities issued will be subject to a four-month hold period expiring on April 20, 2017.

In addition, the Company has granted incentive stock options to directors, officers and consultants to acquire an aggregate of 450,000 common shares at 14.5 cents per share for a period of five years. These incentive stock options have been granted in accordance with the Company's stock option plan.